



CENTER FOR SOCIAL INCLUSION

# **Race, the Job Market, and Economic Recovery: A Census Snapshot**

*September 2009*

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## **New data show people of color are being left out of the recovery, slowing economic progress for the nation at large**

People across America have been hit hard by the recession. Job growth is the most important measure of an economy on its way to a healthy recovery. Economists have lately been encouraged by slowing job losses, but despite the talk that the recession is coming to an end, the newest data from the U.S. Bureau of Labor Statistics (BLS) and the U.S. Census Bureau (Census) show that a large segment of the nation's population is being left out of the recovery.

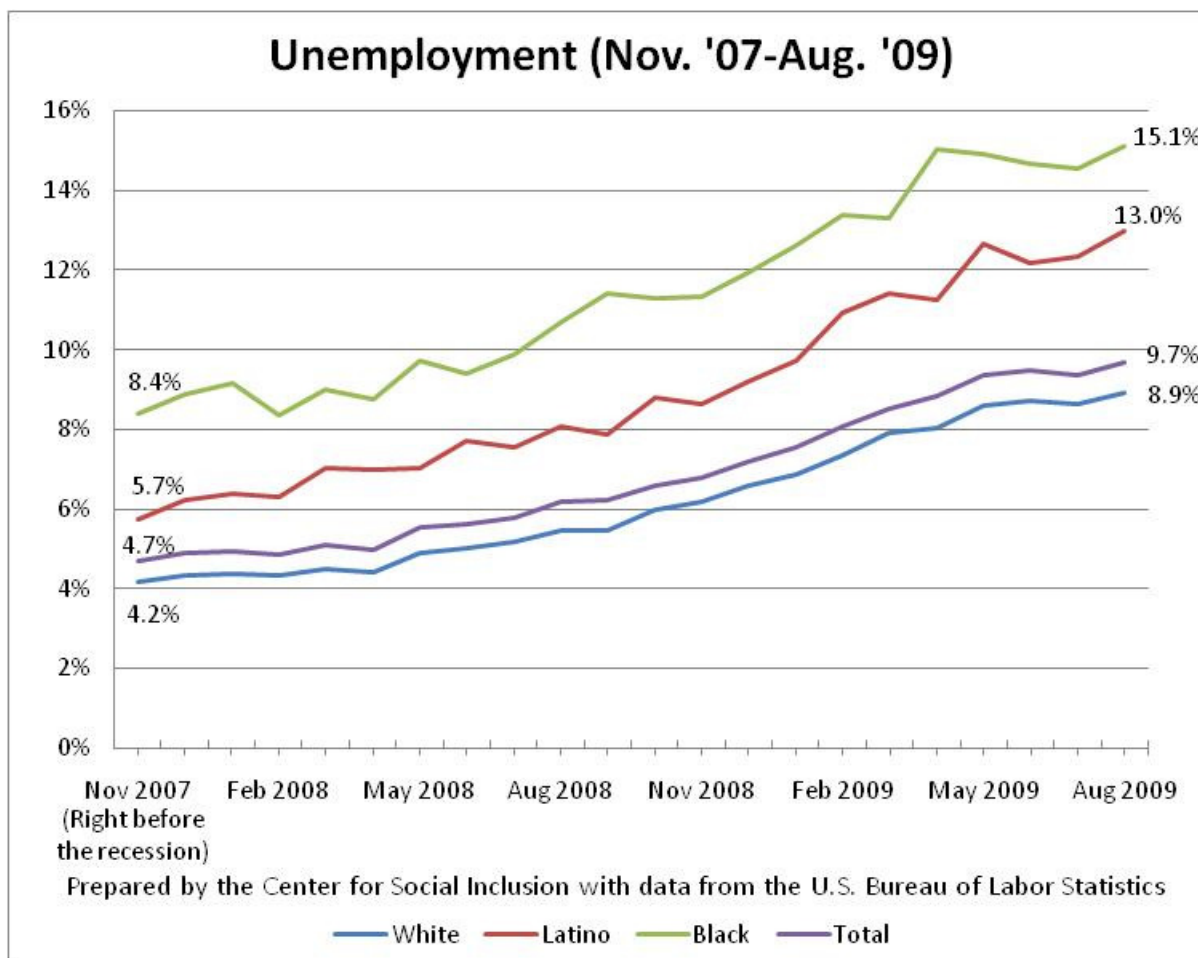
People of color are more likely to end up in low wage service sector jobs and confront practical obstacles to employment such as living far from job centers. These forces contribute to the troubling numbers coming out in the latest economic reports. Our analysis of Census and BLS data reveal people of color have been the most severely affected by job losses and wage cuts, freezing up their purchasing power and slowing the economic engine for the country as a whole. Communities hardest-hit by rising unemployment are also struggling with health care, because a lost job often means lost health insurance.

Important indicators for economic health show no signs of rebounding for many Americans.

- **Unemployment among Blacks and Latinos is skyrocketing**
- **Wages are falling fastest for people of color**
- **Rates of insurance coverage continue to be lowest for people of color**
- **Poverty is alarmingly high for Black and Latina women and children**

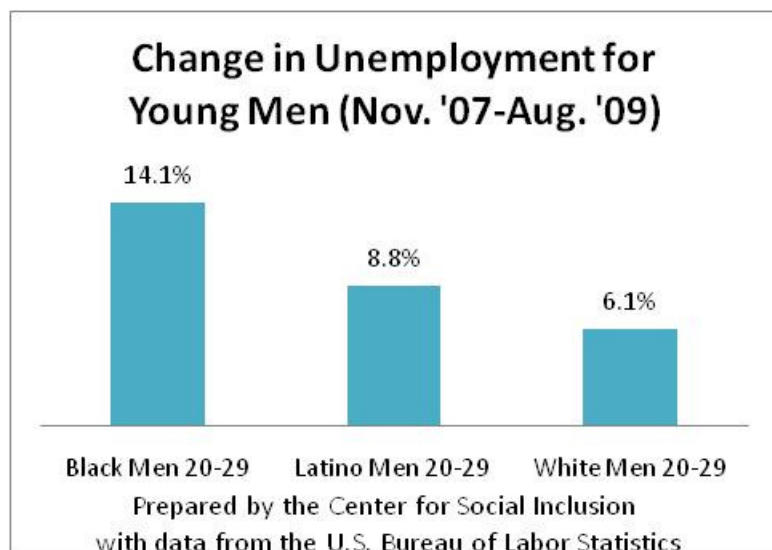
The American Recovery and Reinvestment Act (or "Stimulus") is supposed to hardest -hit communities the most, but recent statistics suggest prompt action must be taken to ensure stimulus spending priorities fulfill that promise.

Unemployment is skyrocketing in communities of color

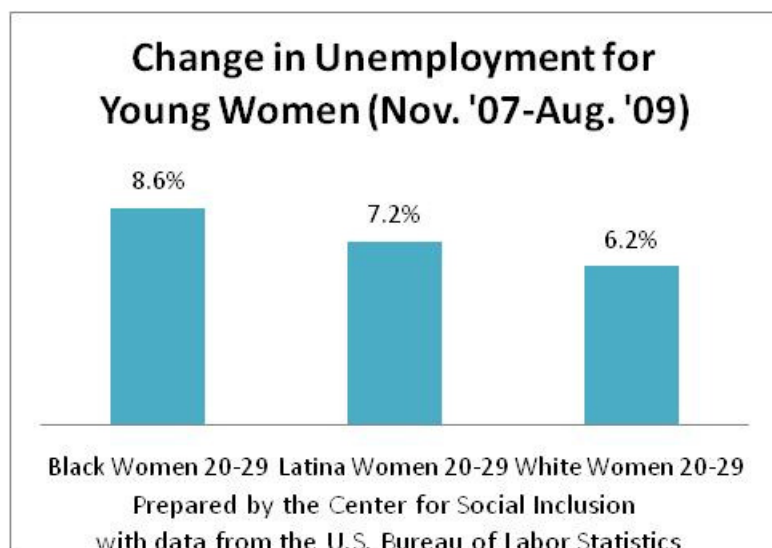


The recession is hurting everyone. However, some communities are having a tougher time than others. People of color were far worse-off before the start of the recession and have been losing jobs at a faster rate since. **Black unemployment is up to 15.1% and Latino Unemployment is up to 13.0 %** compared 9.7% for the total population.

Unemployment is rising fastest for young men and women of color

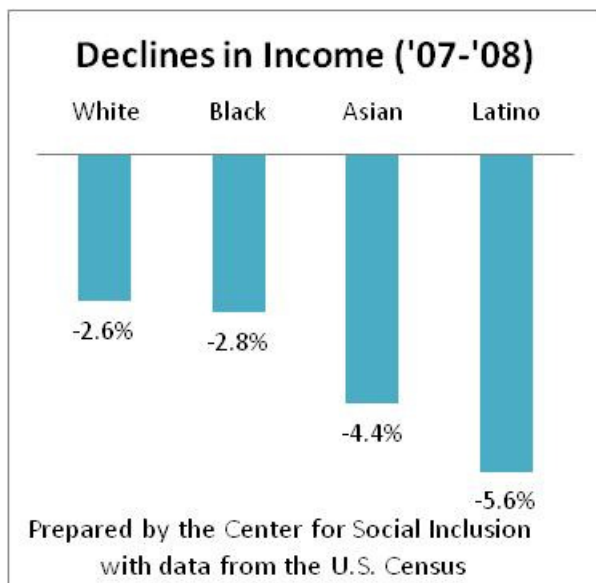


Young men of color have been hit especially hard. Unemployment for Black men ages 20-29 has skyrocketed by 14.1% to a devastating **26.5%**. For young, Latino men unemployment has increased by 8.8% to **14.2%**. Young, White men have also been hit hard, but not as hard as Blacks and Latinos – their unemployment rate has risen by 6.1% to 11.7%.



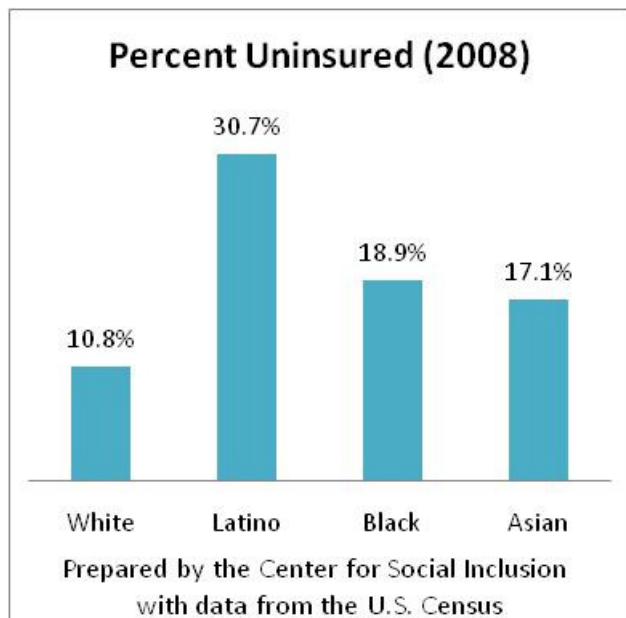
Unemployment has also risen faster for young women of color than for White women in the same age range. Unemployment among young black women has increased by 8.6% to **20.4%**. Today, **14.6%** of Latina women in that age category are unemployed – an increase of 7.2% since the start of the recession. Young, White women are doing as poorly as their male counterparts – unemployment has risen 6.2% to 11%.

## Wages are dropping fastest for people of color



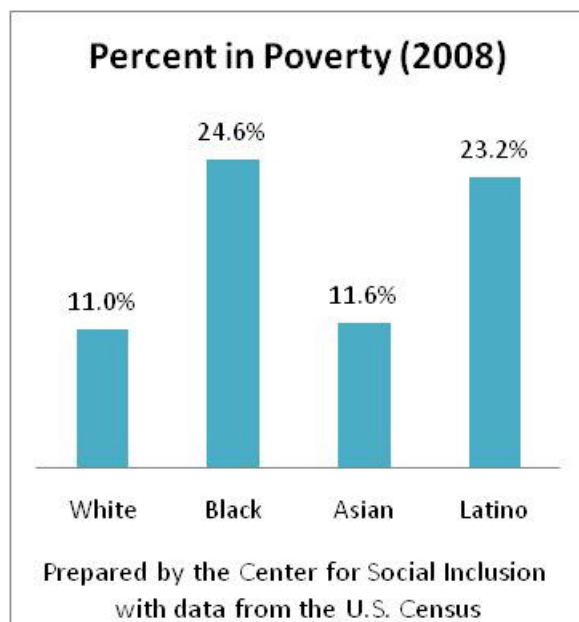
Not only are people of color losing jobs fastest, but even among those who are holding on to their jobs, incomes are falling dramatically. Communities of color are facing the greatest loss of purchasing power since the recession began. Latino incomes are down **5.6%**, Asian incomes are down **4.4%**, Black incomes are down **2.8%**, and White incomes are down **2.6%**. Reversing this trend will speed recovery by spurring economic activity in hardest-hit communities.

## Lost jobs mean lost health insurance

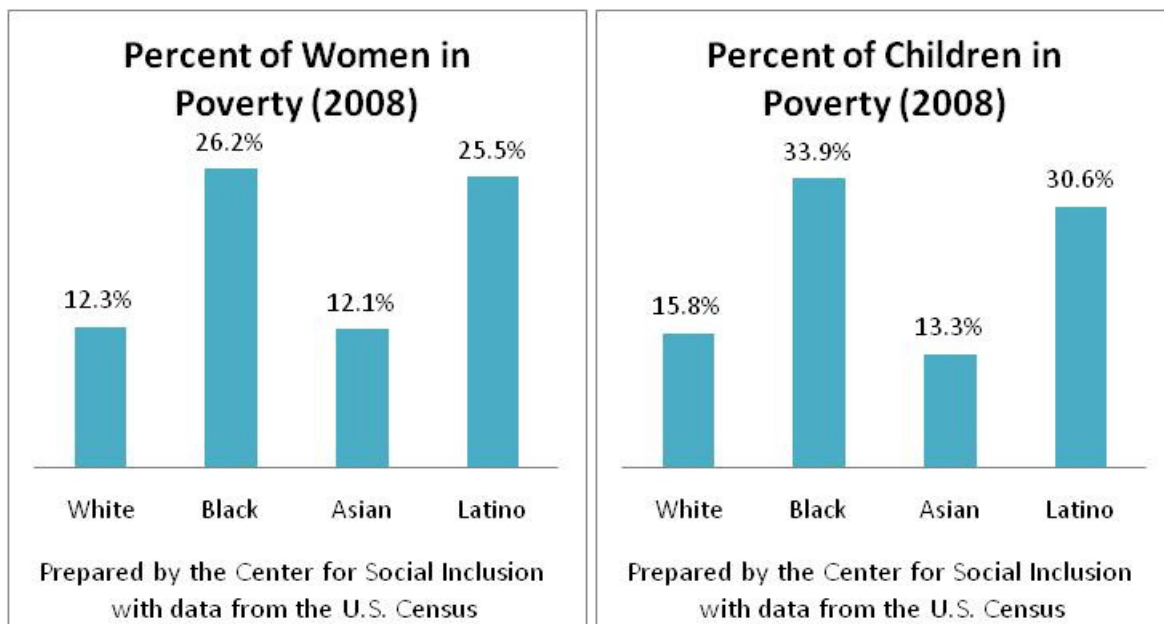


Losing your job often means losing health insurance. The Census reports over one million people lost employer-purchased health insurance between 2007 and 2008. Since this information is a year old, it is more than likely the true number of people uninsured today is much higher. People of color were the most likely to be uninsured before the recession and today they are **two-and-a-half times more likely to be uninsured than Whites**.

Poverty hits women and children of color hardest



Today's Census data show there were **39.8 million people living in poverty in 2008**, an increase of 2.5 million people from 2007 – **the biggest jump in the poverty rate in a decade**. People who are Black, Latino, or Asian Americans are by far the most likely to live in poverty – a serious indicator of the recession's disproportionate impact on communities of color.



Women and children bear the brunt of racialized poverty. **The poverty rate for Black women is 26.2% and 25.5% for Latina women, more than 4 times higher than the White, male poverty rate.** Even in a

recession, it is shocking that **30.6%** of Latino children, **33.9%** of Black children, **15.8%** of White children, and **13.3%** of Asian children live in poverty.

As with health insurance data, what we know about poverty today is a year old. This means it is very likely that the situation is worse than it appears since over 5.6 million people have lost their jobs in the past 12 months.

In an era when America can elect a black president, it is time to finally address racial inequality. Unfortunately, these disparities show that not only are people of color worse off than White Americans, but they represent strong evidence that the **Stimulus is not doing enough for the hardest hit communities.**

### Stimulus must reach communities of color

One of the key goals of the Stimulus is to help those most hurt by the recession. These statistics indicate this vital goal of the Stimulus will not be accomplished unless more is done to ensure that help reaches the communities that need it most. Local, state, and federal agencies must take race into account when deciding which projects to fund, make sure Stimulus projects are located in the hardest-hit areas, and hire contractors and workers from these areas.

### State and federal agencies must improve Stimulus reporting

The government must do a better job recording and reporting who are getting jobs funded by the Stimulus. The federal government does not make adequate data available for every Stimulus-funded project. Furthermore, counting jobs created by Stimulus relies too much on estimation. Holding federal agencies and their awardees accountable for achieving the goals of the Recovery Act requires that more comprehensive data be released, including, but not limited to:

- Full project description;
- Location of project (census tracts and/or latitude/longitude);
- Stimulus funds received;
- Total cost of project;
- Number of jobs created; and
- Demographic information of contractor(s) and employees.



The Center for Social Inclusion (CSI) is a national policy advocacy organization. CSI's mission is to build a fair and just society by dismantling structural racism, which undermines opportunities for all of us. CSI partners with communities of color and other allies to build a strong multi-racial movement for new policy directions that create equity and opportunity.

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